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IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Franchise Investment Protection Act by:

Dale Carnegie & Associates, Inc.

SDO - 63 - 00

CONSENT ORDER

Case No. 99-10-347

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INTRODUCTION

The Securities Division, Department of Financial Institutions, State of Washington, and respondent, Dale Carnegie & Associates, Inc. (Dale Carnegie), do hereby agree to this Consent Order in settlement of the matters alleged herein. Dale Carnegie neither admits nor denies the Tentative Findings of Fact and Conclusions of Law as set forth below, except as to the jurisdiction of the Securities Division to enter this Consent Order.

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TENTATIVE FINDINGS OF FACT

I.

Dale Carnegie, a New York corporation, enters into License Agreements (license agreements) in which Dale Carnegie provides licensees with the use of its names, marks and training regarding the offer, sale and teaching of Dale Carnegie Courses (Dale Carnegie Courses) that includes Dale Carnegie's statements of procedures, policies and standards, teaching manuals, teaching aids, supplements and similar materials. From 1993 to date, Dale Carnegie entered into two license agreements with Washington licensees. Dale Carnegie charged licensees a license fee based on a percentage of gross revenues received in connection with the Dale Carnegie Courses.

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CONSENT ORDER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 II.

2 Dale Carnegie is not currently registered to offer or sell franchises in the State of Washington and has
3 not previously been so registered.

4 CONCLUSIONS OF LAW

5 I.

6 The offer and/or sale of the Dale Carnegie license agreements described above constitutes the offer
7 and/or sale of a franchise as defined in RCW 19.100.010 (4).
8

9 II.

10 The offer of such franchise is in violation of RCW 19.100.020 because no registration is on file
11 with the Administrator of Securities of the State of Washington.

12 ORDER AND CONSENT

13 Based on the premises of the foregoing:

14 Dale Carnegie agrees to the jurisdiction of the Securities Division to enter this Order.

15 IT IS THEREFORE AGREED AND ORDERED that Dale Carnegie, its employees and agents each
16 shall refrain from the offer and sale of unregistered franchises in the State of Washington in violation of
17 RCW19.100.020.

18 IT IS THEREFORE AGREED AND ORDERED that Dale Carnegie shall inform all of its Washington
19 licensees of the existence and contents of this Order within 30 days of the date of entry of this Order.

20 IT IS THEREFORE AGREED AND ORDERED that Dale Carnegie engage outside counsel to assist
21 in the preparation of a Franchise Sales Compliance Manual, furnish training to its officers, directors and senior
22 management personnel regarding franchise sales regulation and the means and manner of complying with the
23 laws, rules and regulations governing franchise sales activity and in the event Dale Carnegie engages outside
24 franchise brokers or salespersons during the term of this Order, provide such persons a copy of this Order.

1 IT IS THEREFORE AGREED AND ORDERED that Dale Carnegie shall pay \$2,000 for
2 reimbursement of investigation costs.

3 IT IS THEREFORE AGREED AND ORDERED that this Order shall remain in force and effect for a
4 period of three years from the date of entry of this Order.

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6 IT IS THEREFORE AGREED that Dale Carnegie waives its rights to a hearing in this matter.

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8 Dated this 27th day of April, 2000.

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10 _____
11 DALE CARNEGIE & ASSOCIATES, INC. by

12 _____
13 MARC K. JOHNSTON
14 Senior Vice President, Sponsor Development

15 **THIS ORDER ENTERED THIS 23rd DAY OF May, 2000 BY:**

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18 _____
19 DEBORAH BORTNER
20 Securities Administrator

21 Presented by:

22 _____
23 MARTIN CORDELL
24 Securities Examiner

25 Approved for entry by:

26 _____
27 CONSENT ORDER

MICHAEL STEVENSON
Chief of Compliance

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CONSENT ORDER

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